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EL SALVADOR: New Power Struggle

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Moderate forces backed by President Magana and Defense Minister Garcia recently succeeded in reducing the power that D'Aubuisson and his party wield in the government. At the same time, the continuing insurgent threat has strengthened the position of D'Aubuisson's loyalists in the military. [redacted] these supporters dislike the reform process and dependency on US aid and want to pursue a more aggressive war strategy. [redacted]

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D'Aubuisson has told the US Embassy that a decision to replace Defense Minister Garcia must be made "within days" because Army morale is low and slipping. Garcia, however, is resisting pressures to resign [redacted]

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Comment: [redacted]

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Garcia is stonewalling pressure to resign, and it is unclear whether he can be pushed into doing so by the opposition of the apparently overwhelming majority of his fellow officers. The military would be likely to replace him with one of several center-right pragmatists. The leading candidate would be Vides Casanova, who probably would be charged with rallying the officer corps and cooperating with the civilian government. [redacted]

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MEXICO-GUATEMALA: Border Policy Decisions

Public protests in Mexico over incursions late last month by armed groups from Guatemala are putting pressure on President de la Madrid's government to take a stronger stand. [redacted]

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Press reports state that, in the latest incidents, more than 100 armed men raided at least two refugee camps in Chiapas State and killed several Guatemalans. The Mexican public believes that the Guatemalan Army directed the actions. Guatemala denies such involvement and has suggested the incidents represented an insurgent ploy to discredit the Army. [redacted]

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The Mexican Government is considering a range of possible actions, including making a formal protest to Guatemala, moving all refugees to central Chiapas, reinforcing military forces in the area, or breaking diplomatic relations. [redacted]

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[redacted] UN representatives in Mexico are calling for the government to give refugees better protection. Although Guatemalans from the raided camps are being relocated, the new camps are only a few kilometers from the border. [redacted]

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The Army recently named General Cervantes--a counter-insurgency expert--as the new commander of the troubled southern military zone, which has its headquarters in Chiapas. Cervantes has close ties to senior defense officials. [redacted]

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Comment: De la Madrid appears determined to keep the border situation under control, especially in the face of mounting economic and political difficulties. He probably wants to avoid breaking relations with Guatemala, but he may use the public outcry as an excuse to tighten government control in the south. [redacted]

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The appointment of Cervantes--a decision made before the latest incidents--suggests de la Madrid foresees the need for a more active military presence along the border. In addition, in cooperation with UN officials, his government is likely to move swiftly on plans to improve monitoring of refugee camps. [redacted]

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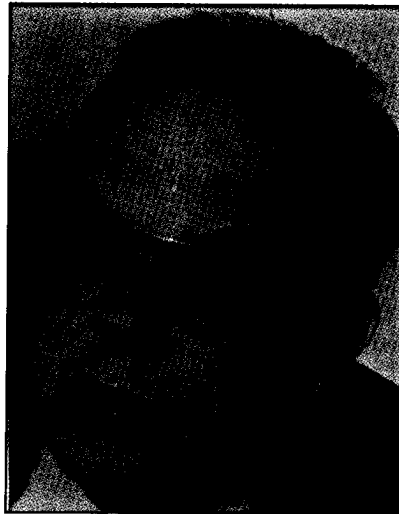
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Jacob de Ruiter



Newcomer to defense issues . . . Minister of Justice 1977-82 . . . lawyer, judge, and professor of law during 1955-77 . . . unassuming manner at first masks his self-confidence . . . seeks consensus but defends his views tenaciously . . . moves smartly to tackle the issue at hand . . . 52 years old.

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NETHERLANDS-US: Defense Minister's Visit

Defense Minister de Ruiter in meetings with US officials next week is likely to focus on economic issues as well as INF and other military issues. (S NF)

[redacted] de Ruiter foresees serious political consequences if the US does not again provide funds for storing US military equipment in the Netherlands. The arrangement involves substantial Dutch investment and local jobs. [redacted]

De Ruiter reportedly expects a full review of the status of the ground-launched cruise missile program and Dutch nuclear roles in NATO. He has doubts about deployment of ground-launched cruise missiles and would proceed only if the Soviets frustrate an INF agreement in Geneva. [redacted]

The Defense Minister wants to continue technical preparations and delay formal site selection until September. Cruise missile deployment would be presented as part of a defense White Paper, which may associate a basing decision with a call for reductions in other Dutch nuclear responsibilities in NATO. [redacted]

In addition, de Ruiter wishes to discuss F-16 modification and repair contracts for Dutch firms and to explore US willingness to purchase new air defense systems for Allied use in defense of US bases in Europe. Budget constraints for fiscal year 1983 resulted in force reductions, delaying equipment procurement programs--including the F-16--and reductions in operating and maintenance levels. The current coalition government has indicated that the 2-percent real growth in defense expenditures planned for this year represents the maximum possible for the near future. [redacted]

Comment: To save money, the Dutch plan to phase out two Nike Hercules air defense squadrons--one this year and one next year--and buy the Patriot air defense missile system in 1986. The projected budget may not be sufficient, however, to pay for the Patriot program until planned F-16 procurement is completed in the late 1980s. [redacted]

[redacted]

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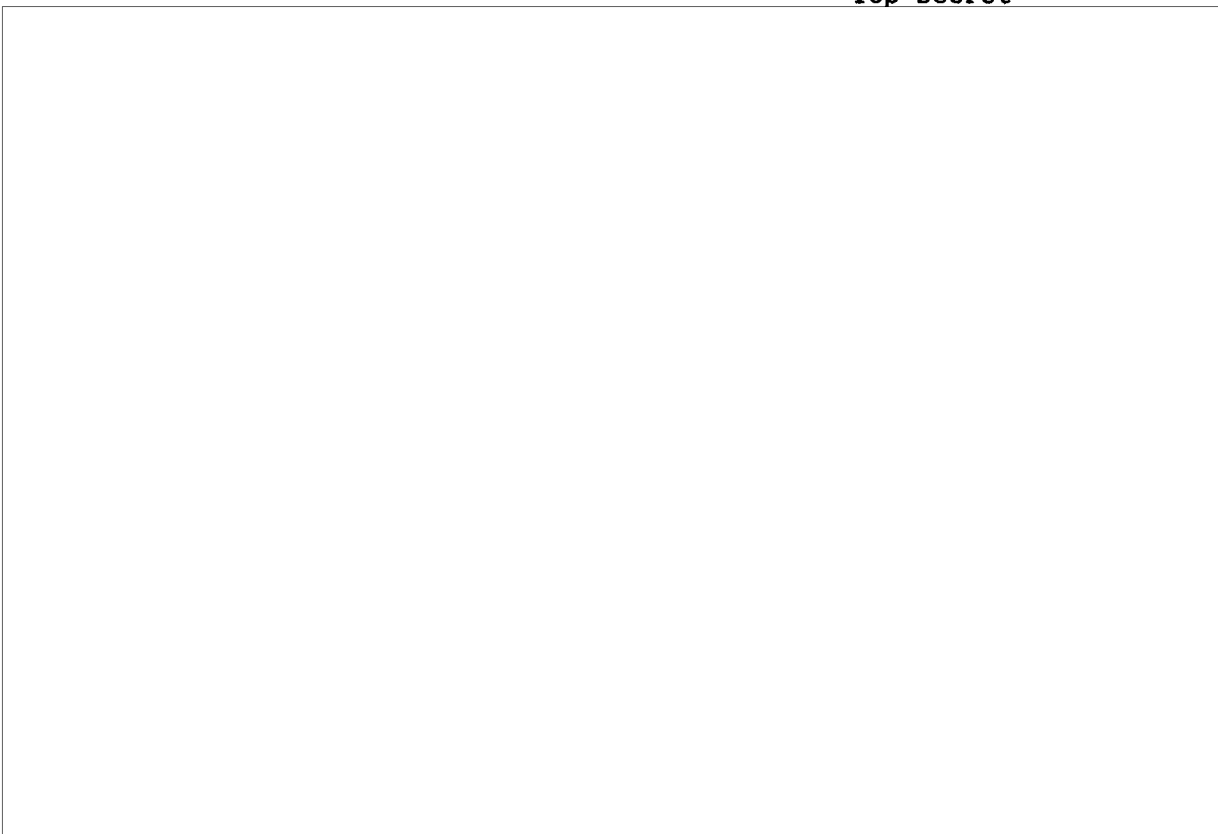
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LEBANON: Terrorism Against Palestinians

Palestinians in the Sidon area apparently are being subjected to an organized terrorist campaign. Nine Palestinian refugees have been murdered during the past two weeks, and Phalange militiamen reportedly entered 40 Palestinian homes recently and ordered the inhabitants to leave. UN officials say the victims apparently were selected at random. The local Israeli commander has increased patrols in the area. [redacted]

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Comment: These incidents underscore the hostility among the Lebanese--especially Christian Phalangists--to a permanent assimilation of the Palestinians into their society. The ones evicted had lived in Lebanon for many years and were economically integrated into the community. Animosity toward Palestinian squatters displaced from refugee camps that were destroyed last summer probably is even greater. The terrorism will strengthen the PLO's determination to obtain guarantees for the protection of Palestinian civilians before agreeing to any withdrawal of its fighters from northern Lebanon. [redacted]

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UK-US: INF Difficulties

The British assert problems with the US over a number of defense-related financial arrangements could affect deployment of ground-launched cruise missiles, according to the US Embassy. The UK wants to renegotiate the cost-sharing agreement of 1973 but claims the US has been unresponsive. Moreover, there have been a series of nagging disputes caused by the cessation of US payments for military housing and lack of agreement on the number and payment of security personnel at base sites. The Embassy says the British have explicitly linked the accommodation payment issue to signature of the Memorandum of Understanding on ground-launched cruise missiles. [REDACTED]

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Comment: Publicity about cost-sharing disputes would hand opponents of INF another issue. It also might encourage some nervous Conservatives to urge delay in delivery of INF equipment, which is set to begin this spring. In addition, Prime Minister Thatcher knows any delay in British INF deployment might affect the basing program in other countries, and she will want to resolve the disagreements quickly. [REDACTED]

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USSR-YUGOSLAVIA-GREECE: Travel Plans for Tikhonov

The US Embassy in Moscow reports that Premier Tikhonov, who had canceled plans to travel to Yugoslavia by early next month, will go there for a four-day visit beginning 21 March. The Yugoslavs expect the visit to focus on economic issues. [redacted]

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Comment: The decision to proceed with the visit to Yugoslavia suggests a scheduling conflict was the reason for the earlier cancellation, as a Soviet diplomat claimed at the time. [redacted]

[redacted]

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PORTUGAL: Early Elections Set

President Eanes dissolved the parliament yesterday and called for national elections on 25 April. The order followed parliamentary approval of the provisional budget presented by caretaker Prime Minister Balsemao. Balsemao has been given the authority to finance the government's deficit through external borrowing, and Portugal can now conclude pending loan agreements with the European Investment Bank, the World Bank, the Council of Europe, and the West German Government. The government is also empowered to make sharp tax increases and to raise prices on selected subsidized goods. [redacted]

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Comment: Approval of the provisional budget, which President Eanes had wanted to ensure before dissolving the parliament, should allow the government to handle routine matters between now and the elections. The government's mandate probably does not extend to completing negotiations on the US bases. Balsemao is expected to serve in a caretaker capacity until the elections, even though he may lose his political base as president of the Social Democratic Party. [redacted]

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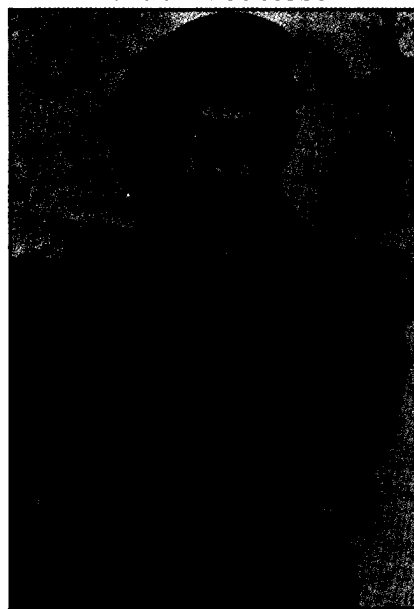
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**Surinamese Army
Commander Bouterse**



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Special Analysis

SURINAME: Bouterse's Prospects

Army Commander Bouterse has strengthened his control over the government by eliminating his principal opponents and intimidating important sectors of society. Despite his alienation of virtually the entire nation, he is unlikely to be ousted by an internal uprising or coup attempt in the short term. The exile groups still appear disorganized and ineffective. Bouterse's fragile base of political support consists of two rival leftist groups, a dozen or so loyal military collaborators, and a few political opportunists. The conflicting interests of these groups could in time pose serious problems for him. [redacted]

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Bouterse, who emerged as strongman six months after the sergeants' coup in February 1980, has never had a broad political power base or a well-defined ideology. The US Embassy says [redacted]

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[redacted] he deals with each problem without reference to any long-term policy. [redacted]

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The Army Commander has tried a variety of unsuccessful tactics to gain popular support. Initially he adopted a moderate posture, conducting an anticorruption campaign against the discredited political system but simultaneously appealing to the traditional parties. Then he proclaimed himself a nonaligned socialist, allowed expanded but cautious contacts with Cuba, and tried to form a national political party. [redacted]

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After a military coup attempt nearly succeeded last March, Bouterse turned increasingly to Havana for support. Many Surinamers criticized the ties with Cuba and demanded democracy be restored. In late July Bouterse began using heavyhanded tactics to quell dissent. The executions in December and the arrest and death this week of former Deputy Army Commander Horb followed. [redacted]

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The Inner Circle

Bouterse's lack of political sophistication probably will make him more vulnerable to his dwindling number of supporters. The US Embassy says he reacts impulsively to

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threats and looks to his advisers when he needs help in resolving problems he has created. Some of these aides may view Bouterse's lack of firm ideological commitments and impressionable nature as weaknesses that eventually can be exploited to unseat him. [redacted]

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Twelve of the 16 original military collaborators in the coup of 1980 comprise an ad hoc advisory body still known as the "Group of 16." Its members are predominantly nationalist and authoritarian--several played a key role in the executions in December. The group's support appears based on a desire to retain power, respect for Bouterse's authority, and recognition that its actions have linked its fate with his. [redacted]

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In addition, Bouterse frequently turns to an experienced politician or civil servant for advice. Acting Foreign Minister Naarendorp, who is often credited as the force behind Bouterse's drift to the left, fulfilled this role until recently. [redacted]

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Henk Herrenberg, a socialist and Ambassador to the Netherlands, may have replaced Naarendorp. During the last two months, Bouterse and Herrenberg have been in close touch. [redacted]

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Parties Supporting Bouterse

Some of the leaders of two parties are equally close to Bouterse and also are members of the inner circle. The Progressive Workers' and Farmers' Union, a small nationalist party on the left, is one of the forces vying for influence in the regime. One of its members, Errol Alibux, has been appointed to form the next cabinet. [redacted]

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According to the Embassy, the party has no popular base or international contacts and relies on Bouterse for its political power. Its leaders reportedly presented Bouterse with a broad government program last month advocating nationalization of vital foreign firms, establishing a socialist state, and ending "imperialist subjugation" from North America and Europe. [redacted]

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The small, pro-Cuban Revolutionary People's Party appears more dangerous to US interests. This group has extensive contacts with Cuba and the potential to challenge Bouterse with Cuban assistance if his revolutionary leadership falters. [redacted]

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[redacted] Bouterse plans to give the less radical Progressive Workers' and Farmers' Union a larger role in the government to regain some domestic support. This may be difficult because the Revolutionary People's Party already controls the media and dominates the small People's Militia. [redacted]

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Outlook

Bouterse's ability to retain power will depend on his skills in manipulating his remaining supporters. His cunning may be enough for now to reconcile dissenting views. Unless Bouterse can develop some political skills, however, the task of holding his collaborators together will be increasingly difficult. [redacted]

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Bouterse, for example, may be faced with a rebellion among extremists in the Revolutionary People's Party if antileftists in the Group of 16 appear to be gaining too much influence. [redacted]

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The Army Commander's top priority will be maintaining the continued backing of the Group of 16. Its allegiance apparently guarantees his control of key military commands. [redacted]

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The arrest and death of Horb--an original member of the group--could weaken the loyalty of Bouterse's more moderate military collaborators. [redacted]

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The regime's next move will be to appoint a new civilian cabinet, probably on or before 25 February, the third anniversary of the coup in 1980. Bouterse's con-

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trol over the policies of the new government is likely to discourage talented individuals from accepting cabinet posts. [REDACTED]

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The opportunistic Herrenberg appears intent on ingratiating himself with Bouterse. He is likely to occupy an important position in the regime, either in an advisory or ministerial capacity. [REDACTED]

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Despite misgivings about the Cubans, Bouterse has been more inclined to accept their advice in recent months and will continue to rely on them as long as he believes his domestic support is weak. Cuban Ambassador Cardenas apparently has established a particular rapport with Bouterse and is a frequent adviser. [REDACTED]

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Havana, for its part, probably sees Bouterse's revolution as an opportunity to widen its circle of regional allies. It still has not, however, made a major investment of economic and military resources in Suriname. [REDACTED]

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